

Kansas Medicaid Plan

Substitute for Intro. Bill 06/16/98 "

Attachment 4-19 D

Part II

Subpart P

Exhibit P-2

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Public process for proposed Methodology for closure of ICFs/MR.

The state has in place a public process which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act.

KANSAS MEDICAID STATE PLAN

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30-10-216. ICF-MR payment of claims. (a) Payment to participating provider. Each participating provider shall be paid, at least monthly, a per diem rate for ICF-MR services, excluding client liability, rendered to eligible clients provided that:

(1) The agency is billed on the turn-around document or electronic claims submission furnished by the contractor serving as the fiscal agent for the medicaid/medikan program;

(2) the turn-around document or electronic claims submission is verified by the administrator of the facility or a designated key staff member; and

(3) the claim is filed no more than six months after the time the services were rendered pursuant to K.S.A. 39-708a, and any amendments thereto.

(b) Client's liability. The client's liability for services shall be the amount determined by the local agency office in which a medicaid/medikan client or the client's agent applies for care. The client's liability begins on the first day of each month and shall be applied in full prior to any liability incurred by the medicaid/medikan program. The unexpended portion of the client's liability payment shall be refunded to the client or client's agent if the client dies or otherwise permanently leaves the facility.

(c) The payment of claims may be suspended if there has been an identified overpayment and the provider is financially insolvent. (Authorized by and implementing K.S.A. 39-708c, as amended by L.

ATTORNEY GENERAL

DEPT. OF ADMINISTRATION

NOV 16 1990

KANSAS MEDICAID STATE PLAN

1990, Chapter 152; effective, T- 30-12-28-90, Dec. 28, 1990 ;
effective P- March 4, 1991 .)

ATTORNEY GENERAL

DEPT. OF ADMINISTRATION

NOV 16 1990

30-10-217 (1)

30-10-217. ICF-MR reserve days. (a) Payment shall be available for days for which it is necessary to reserve a bed in an intermediate care facility for the mentally retarded when the client is absent for:

- (1) Admission to a hospital for acute conditions;
- (2) a temporary absence for therapeutically indicated home visits with relatives or friends; or
- (3) a temporary absence to participate in state-approved therapeutic or rehabilitative programs.

(b) Payment shall be available only for the days during which there is a likelihood that the reserved bed would otherwise be required for occupancy by some other client.

(c) The provider shall be required to notify the local agency office prior to routine absence from the facility by clients in the Kansas medicaid/medikan program. In case of routine admission to a hospital, notification must be submitted to the local agency office no later than five working days following admission.

(d) No payment for medical reserve days shall be made until authorization has been given by the local agency office in writing to the provider. A copy of the authorization shall be attached to the claim submitted for payment.

(e) The following conditions shall be met when a bed is reserved in an ICF/MR because of hospitalization for an acute medical condition:

(1) The local agency office has approved the client reserve days for hospitalization of an acute condition for each period of hospitalization up to 10 days.

(2) When ICF/MR clients are transferred to one of the state mental retardation facilities, they are eligible for 21 hospital reserve days.

(3) The client shall intend to return to the same facility after the hospitalization and the facility accepts the individual for service.

(4) The hospital shall provide a discharge plan for the client which includes returning to the facility requesting the reserve days.

(5) An ICF/MR which has less than 90% occupancy may not be approved for hospitalization reserve days.

(f) The client's plan of care shall provide for the non-hospital related absence. Payment for non-hospital related reserve days for eligible clients residing in intermediate care facilities for the mentally retarded shall not exceed 21 days per calendar year, including travel. If additional days are required to alleviate a severe hardship or facilitate normalization, the ICF-MR provider shall send the request for additional days and supporting documentation to the agency for approval or disapproval.

(g) This regulation shall not prohibit any client from leaving a facility if the client so desires.

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30-10-217 (3)

(h) Payments made for unauthorized reserve days shall be reclaimed by the agency. The effective date of this regulation shall be April 1, 1992. (Authorized by and implementing K.S.A. 1990 Supp. 39-708c; effective, T-30-12-28-90, Dec. 28, 1990; effective March 4, 1991; amended Oct. 1, 1991; amended April 1, 1992.)

KANSAS MEDICAID STATE PLAN

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30-10-218 (1)

30-10-218. ICF-MR non-reimbursable costs. (a) Costs not related to client care, as set forth in K.A.R. 30-10-200, shall not be considered in computing reimbursable costs. In addition, the following expenses or costs shall not be allowed:

(1) Fees paid to non-working directors and the salaries of non-working officers;

(2) bad debts;

(3) donations and contributions;

(4) fund-raising expenses;

(5) taxes, including:

(A) Federal income and excess profit taxes, including any interest or penalties paid thereon;

(B) state or local income and excess profits taxes;

(C) taxes from which exemptions are available to the provider;

(D) taxes on property which is not used in providing covered services;

(E) taxes levied against any client and collected and remitted by the provider;

(F) self-employment taxes applicable to individual proprietors, partners, or members of a joint venture; and

(G) interest or penalties paid on federal and state payroll taxes;

(6) insurance premiums on lives of officers and owners;

(7) the imputed value of services rendered by non-paid workers and volunteers;

(8) utilization review;

(9) costs of social, fraternal, and other organizations which concern themselves with activities unrelated to their members' professional or business activities;

TN#MS-91-45 Approval Date 7-18-95 Effective Date 10-1-91 Supersedes TN#MS-91-14

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30-10-218 (2)

- (10) oxygen;
- (11) vending machine and related supplies;
- (12) board of director costs;
- (13) client personal purchases;
- (14) barber and beauty shop expenses;
- (15) advertising for client utilization;
- (16) public relations expenses;
- (17) penalties, fines, and late charges;
- (18) items or services provided only to non-medicaid/medikan clients and reimbursed from third party payors;

(19) automobiles and related accessories in excess of \$25,000.00. Buses and vans for client transportation shall be reviewed for reasonableness and may exceed \$25,000.00 in costs;

- (20) airplanes and associated expenses;
- (21) costs of legal fees incurred in actions brought against the agency;
- (22) aggregate costs incurred in excess of historical or projected costs plus allowed inflation, without prior authorization of the agency; and

(23) costs incurred through providing service to a bed made available through involuntary discharge of a client as determined by the Kansas department of health and environment without prior authorization of the agency.

(b) The following contract cost under the day habilitation program shall not be allowed:

- (1) Client salaries and FICA match;
- (2) all material costs, including sub-contracts;
- (3) all costs related to securing contracts; and
- (4) 50% of the cost of the following items:

Substitute per letter dated 11/13/96 " "

REPLACEMENT PAGE
NOVEMBER 13, 1996

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30-10-218(3)

- (A) cost of equipment lease;
 - (B) maintenance of equipment;
 - (C) purchase of small tools under \$100.00; and
 - (D) depreciation of production equipment.
- (c) ICFs/MR shall not be reimbursed for services provided to individuals admitted on or after the effective date of this regulation unless:
- (1) the community developmental disability organization (CDDO) assigned by the agency first determines such persons meet eligibility requirements established by the agency and the ICF/MR placement is consistent with the preferred lifestyle of the person as specified by the person or the person's guardian, if one has been appointed; or,
 - (2) the admission has been otherwise approved by the agency Commissioner of Mental Health and Developmental Disabilities.

The effective date of this regulation shall be April 17, 1996.
(Authorized by and implementing K.S.A. 39-708c; effective, T-30-12-28-90, Dec. 28, 1990; effective March 4; amended Oct. 1, 1991; amended April 17, 1996.)

TN#MS-96-06 Approval Date DEC 20 1996 Effective 04-17-96 Supersedes #MS-91-45

30-10-219 .(1)

30-10-219. ICF-MR costs allowed with limitations. (a) The following expenses or costs shall be allowed with limitations:

(1) Loan acquisition fees and standby fees shall be amortized over the life of the related loan if the loan is related to client care.

(2) Only the taxes specified below shall be allowed as amortized costs.

(A) Taxes in connection with financing, re-financing, or re-funding operations; and

(B) special assessments on land for capital improvements over the estimated useful life of those improvements.

(3) Purchase discounts, allowances, and refunds shall be deducted from the cost of the items purchased. Refunds of prior year expense payments shall also be deducted from the related expenses.

(4) Any start-up cost of a provider shall be recognized if it is:

(A) Incurred prior to the opening of the facility and related to developing the ability to care for clients;

(B) amortized over a period of not less than 60 months;

(C) consistent with the facility's federal income tax return, and internal and external financial reports with the exception of (B) above; and

(D) identified in the cost report as a start-up cost which may include: